LNF & IHCIF Calculations Illustration

- PASSAMAQ I T in Nashville area -

Given Data

- 876 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 93.6% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

Cost Adjustment Calculations

- $2,510 per person for purchased services = 90% * 93.6% * $2,980
- $404 per person for in-house services = 10% * 135.7% * $2,980
- $2,914 per person total = $2,510 (purchase) + $404 (in-house)
- **$2,795 per person total** adjusted for health status = $2,914 * 95.9%
- **$2,050 per person net cost** = $2,795 - $745 Other resources (M&M&PI)

Existing Expenditures (for 876 users excluding wrap-around and collections)

- $1,921 per person = local IHS allowance (excludes $ for wrap-around)
- $155 per person = expenditures elsewhere in Nashville area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$2,129 per person for OU users** = $1,921 + $155 + $54

LNF Calculation

- **76.2% Gross LNF** = $2,129 (expenditures) / $2,795 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **103.9% Net LNF** = $2,129 / $2,050 net cost ($2,795 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 103.9% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

PASSAMAQ I T Unmet Needs

- **$1,796,080 Net Total Need** = 876 users * $2,050 net cost
- **$0 Net Unmet Need** = (100% - 103.9% LNF) * 876 users * $2,050 net cost